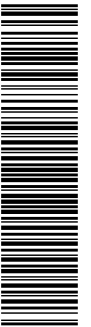


An act to add Section 14197.11 to the Welfare and Institutions Code,  
relating to Medi-Cal.

SECURED  
COPY



## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14197.11 is added to the Welfare and Institutions Code, to read:

14197.11. (a) Notwithstanding any other law, subject to subdivision (e), the department may enter into one or more comprehensive risk contracts with an alternate health care service plan (AHCSP) to serve as a primary Medi-Cal managed care plan for eligible beneficiaries described in subdivision (b) in geographic regions designated by the department pursuant to subdivision (c).

(b) The following beneficiary populations enrolling in Medi-Cal managed care shall be eligible to enroll, or chose to maintain their enrollment, in an AHCSP contracted with the department pursuant to subdivision (a):

(1) A beneficiary who was previously enrolled in the AHCSP as their primary Medi-Cal managed care plan on or before December 31, 2023.

(2) An existing member of the AHCSP who is transitioning into Medi-Cal managed care.

(3) A beneficiary who was a member of the AHCSP at any time during the 12 months immediately preceding the effective date of the beneficiary's Medi-Cal eligibility.

(4) A beneficiary with an AHCSP family linkage.

(5) A beneficiary who was previously enrolled in a primary Medi-Cal managed care plan other than the AHCSP on or before December 31, 2023, but who was assigned to and made the responsibility of the AHCSP under a subcontract with the Medi-Cal managed care plan.

(6) A dual eligible beneficiary residing in a geographic region approved by the department for purposes of this subdivision and for which the department has contracted with the AHCSP pursuant to subdivision (a).

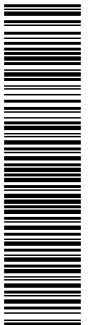
(7) A beneficiary eligible on the basis of their receipt of services through a state foster care program or eligible pursuant to Section 14005.28 residing in a geographic region approved by the department for purposes of this subdivision and for which the department has contracted with the AHCSP pursuant to subdivision (a).

(c) Notwithstanding any other law, the department may contract with an AHCSP as a Medi-Cal managed care plan in any geographic region of the state for which federal approval is available and received pursuant to subdivision (e). To the extent permissible under federal law, the department may enter into either a single comprehensive risk contract for all geographic areas where the AHCSP is approved to operate as a Medi-Cal managed care plan or multiple contracts to serve the different geographic areas.

(d) Except where an AHCSP was already contracted with the department as a Medi-Cal managed care plan as of January 1, 2022, contracts entered into pursuant to subdivision (a) shall be effective no sooner than January 1, 2024.

(e) The department shall seek any federal approvals it deems necessary to implement this section. This section shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized.

(f) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret,



or make specific this section, in whole or in part, by means of plan letters or other similar instructions, without taking any further regulatory action.

(g) Notwithstanding any other law, contracts entered into or amended pursuant to this section shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services.

(h) For purposes of this section, the following definitions shall apply:

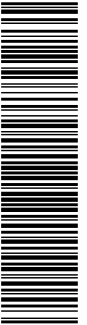
(1) "Alternate health care service plan" means a nonprofit health care service plan with at least 4,000,000 enrollees statewide that owns or operates pharmacies and provides professional medical services to enrollees in specific geographic regions through an exclusive contract with a single medical group in each specific geographic region in which it is licensed.

(2) "AHCSP family linkage" includes when a beneficiary's parent, guardian, minor child, or minor sibling is enrolled in or has been enrolled in the AHCSP at any time during the 12 months immediately preceding the effective date of the beneficiary's Medi-Cal eligibility.

(3) "Comprehensive risk contract" has the same meaning as set forth in Section 438.2 of Title 42 of the Code of Federal Regulations.

(4) "Dual eligible beneficiary" has the same meaning as set forth in paragraph (1) of subdivision (f) of Section 14184.200.

(5) "Medi-Cal managed care plan" has the same meaning as set forth in subdivision (j) of Section 14184.101.



## LEGISLATIVE COUNSEL'S DIGEST

Bill No. \_\_\_\_\_  
as introduced, \_\_\_\_\_.  
General Subject: Medi-Cal: alternate health care service plan.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services through various health care delivery systems, including managed care pursuant to Medi-Cal managed care plan contracts. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions.

This bill would authorize the department to enter into one or more comprehensive risk contracts with an alternate health care service plan to serve as a primary Medi-Cal managed care plan for specified eligible beneficiaries in geographic regions designated by the department. The bill would authorize the department to contract with an alternate health care service plan as a Medi-Cal managed care plan in any geographic region of the state for which federal approval is available, as specified. The bill would authorize the department to implement those provisions by means of plan letters or other similar instructions. The bill would require the department to seek federal approval to implement those provisions and would condition the implementation of the provisions on that federal approval.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

